

Message Text

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43

ACTION FSE-00

INFO OCT-01 AF-06 EUR-12 ISO-00 AID-05 IGA-01 /025 W

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R 240840Z SEP 75

FM AMEMBASSY CONAKRY

TO USOFFICE RFC PARIS

SECSTATE WASHDC 1133

INFO AMEMBASSY DAKAR

DEPT OF TREASURY WASHDC

UNCLAS CONAKRY 1487

TREASURY FOR FISCAL SERVICE, BUREAU OF GOVERNMENT FINANCIAL
OPERATIONS

E.O. 11652: N/A

TAGS: EFIN GV US

SUBJECT: DELINQUENT INTEREST DUE ON ACCOUNT 32-39-448 (32-39-
02-28)

REF: A. STATE 132234; B. CONAKRY 0731

1. SUMMARY: EMBASSY BELIEVES THAT INFORMATION PROVIDED TO IT ON
DELINQUENT INTEREST PAYMENTS DUE THIS ACCOUNT IS INCORRECT AS
A RESULT OF DISBURSEMENTS MADE BY RFC PARIS. PROBLEMS MAY EXIST
IN DETERMINING EXACT AMOUNT OF DELINQUENT INTEREST DUE. EMBASSY
THEREFORE REQUESTS RFC PARIS AND TREASURY/WASHINGTON CONSIDER
FOLLOWING INFORMATION AND ADVISE EMBASSY ACCORDINGLY ON QUESTIONS
RAISED. END SUMMARY.

2. US TREASURY/WASHINGTON CARRYING WRONG NUMBER ON THIS ACCOUNT.
REF A AND SUPPORTING DOCUMENTS PROVIDED TO EMBASSY REFER TO
ACCOUNT NO. 32-39-488. CORRECT NUMBER WAS 32-39-448, BUT WAS
CHANGED TO 32-39-02-28 ON SEPT 30, 1972.

3. ACCORDING TO ARTICLE III PARA ONE OF THE PL480 AGREEMENT OF
FEB 4, 1966, THE GOG AGREED TO DEPOSIT TO THE ACCOUNT OF THE USG
AN AMOUNT OF GUINEAN FRANCS EQUIVALENT TO THE DOLLAR SALES VALUE
OF THE COMMODITIES PURCHASED BY THE USG. IN ADDITION, ACCORDING
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TO PARA 3, OF THE EXCHANGE OF NOTES RELATIVE TO THIS AGREEMENT,

THE GOG AGREED TO PAY INTEREST AT A RATE OF 2.5 PER CENT PER ANNUM.

4. THE GOG SUBSEQUENTLY DEPOSITED TO ACCOUNT 32-39-448 THE AMOUNT OF 600,562,795 GUINEAN FRANCS (GF) (10GF EQUALS 1 SYLI, THE NEW UNIT OF CURRENCY SINCE 1972). THE FIRST INTEREST PAYMENT WAS ALSO MADE FOR 15,014,070 GF. THUS AS OF DEC 22, 1968, THE BALANCE IN THIS ACCOUNT WAS 615,576,865 GF (EQUAL TO 61,557,686.50 GUINEAN SYLIS).

5. FROM DEC 22, 1968 TO APRIL 24, 1974 THERE WAS NO ACTIVITY IN THIS ACCOUNT. THE GOG FAILED TO MAKE ANY INTEREST PAYMENTS AND NO WITHDRAWALS WERE MADE.

6. IN JULY 1972 THE ACTIVITIES OF THE USDO CONAKRY WERE TRANSFERRED TO RFC PARIS. ON APRIL 24, 1974 RFC PARIS ISSUED THE FIRST CHECK WITHDRAWING FUNDS FROM ACCOUNT 32-39-02-28 FOR USG LOC2 :7443,:6 3/03, 3 .

7. AS A RESULT OF WITHDRAWALS FROM THIS ACCOUNT BANK RECORDS SHOW THAT THE BALANCE REMAINING AS OF AUG 30, 1975 WAS GUINEAN SYLIS (GS) 20,725,264.00.

8. REF A PROVIDES TABLE SHOWING DELINQUENT INTEREST DUE THIS ACCOUNT. HOWEVER, THE COMPUTATION IS MADE ON THE MISTAKEN ASSUMPTION THAT NO WITHDRAWALS WERE BEING MADE. THEREFORE, BECAUSE RFC PARIS BEGAN DISBURSING FUNDS FROM THIS ACCOUNT AS OF APRIL 24, 1974 THE TOTAL CURRENT AMOUNT OF DELINQUENT INTEREST (GS 9,830,357,38) IS INCORRECT. THE QUESTION NOW IS HOW TO DETERMINE WHAT INTEREST IS DUE

9. SINCE NO WITHDRAWALS WERE MADE FROM THIS ACCOUNT UNTIL APRIL 24, 1974 THE AMOUNT OF INTEREST DUE PRESENTED IN THE REF A IS CORRECT TO 12/73 (INTEREST DUE GS 8,089,185,58, BALANCE ON WHICH 69,646,872.08). HOWEVER, THE INTEREST DUE SHOWN FOR THE PERIOD 12/73 TO 12/74 IS INCORRECT IN THAT THE BALANCE FLUCTUATED DUE TO WITHDRAWALS BY RFC.

10. WHAT INTEREST IS DUE FOR THE PERIOD FROM 12/73 FORWARD IS DEPENDENT UPON THE MANNER IN WHICH THE BALANCE IS DETERMINED. UNCLASSIFIED

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SINCE INTEREST IS DUE ON ANNUAL BASIS, HOW SHOULD BANK COMPUTE BALANCE FOR PERIODS 12/73 TO 12/74 AND FOR CURRENT CALENDAR YEAR (AVERAGE ANNUAL BALANCE, BALANCE ON DATE INTEREST DUE, ETC.)?

11. REQUEST TREASURY REVIEW THIS INFORMATION AND ADVISE. ANY RFC COMMENTS SHOULD BE MADE TO TREASURY,INFO CONAKRY. HARROP

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